



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Assistant Secretary

1200 New Jersey Ave., S.E.  
Washington, DC 20590

**April 21, 2009**

DEPT OF TRANSPORTATION  
DOCKETS

2009 MAY -1 P 2:21

The Honorable Peter J. Visclosky  
U. S. House of Representatives  
Washington, DC 20515-1401

Dear Congressman Visclosky:

Thank you for your letter of February 12, 2009, on behalf of your constituent, Mr. Utley, who opposes mergers among major domestic airlines. I am responding on behalf of the U.S. Department of Transportation (DOT).

Mr. Utley expresses concerns about the effect of airline mergers on consumers and airline employees. We recognize and understand these concerns, and we consider all of them when reviewing major airline transactions. The DOT's objective is to ensure a healthy, competitive airline industry capable of meeting the needs of the American economy. As you may know, DOT does not approve or disapprove airline mergers. As the chief enforcer of the antitrust laws, the Department of Justice has primary jurisdiction. The DOT does, however, conduct an independent analysis of proposed mergers, examining the very issues that Mr. Utley has identified, such as the merger's effect on consumers, airline employees, and small communities. The results of our analysis are shared with the Department of Justice.

Thank you for sharing these concerns with us. We will keep them in mind in our review of any future mergers.

Sincerely yours,

Christa Fornarotto  
Acting Assistant Secretary for  
Aviation and International Affairs

PETER J. VISCLOSKY  
1ST DISTRICT, INDIANA

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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1401**

2258 RAYBURN BUILDING  
WASHINGTON, DC 20515-1401  
(202) 225-2461

701 EAST 83RD AVENUE, SUITE 8  
MERRILLVILLE, IN 46410  
(219) 795-1044

Call Toll Free  
1 888 423 PETE  
(1 888 423-7383)

INTERNET:  
<http://www.house.gov/visclosky/>

February 12, 2009

The Honorable Ray LaHood  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, Southeast  
Washington, D.C. 20590

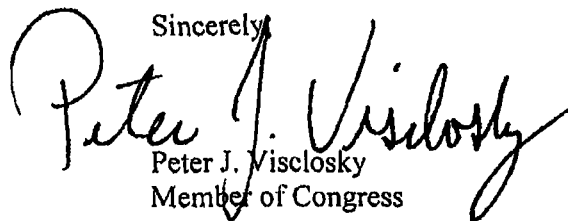
Dear Secretary LaHood:

I write on behalf of Mr. Mark Utley, a resident of Indiana's First Congressional District.

Mr. Utley has contacted me to express his concerns regarding consolidation within the airline industry. Enclosed, please find a copy of the correspondence I have received from Mr. Utley. I would appreciate your addressing his concerns.

Thank you in advance for your serious consideration of this matter. Do not hesitate to let me know if you have any questions or need additional information.

Sincerely,

  
Peter J. Visclosky  
Member of Congress

PJV:so  
Enclosure

**E-Mail Viewer**

Message

Details

Attachments

Headers

Source

HTML

From: "Write your representative" <writerep@heoc-t2kwww1.house.gov>  
Date: 2/5/2009 1:31:31 PM  
To: "IN01IMA@mail.house.gov" <IN01IMA@mail.house.gov>  
Cc:  
Subject: WriteRep Responses

DATE: February 5, 2009 6:27 PM  
NAME: MARK UTLEY  
ADDR1: 316 W South St  
ADDR2:  
ADDR3:  
CITY: Crown Point  
STATE: Indiana  
ZIP: 46307-4316  
PHONE: 7085420853  
EMAIL: utley22@hotmail.com  
msg:  
MARK UTLEY  
316 W. SOUTH ST.  
CROWN POINT, IN 46307-4316

February 5, 2009

The Honorable Peter J. Visclosky  
House of Representatives  
2256 Rayburn House Office Building  
Washington, DC 20515-1401

Dear Representative Visclosky:

I urge you to vocally oppose potential mergers among the nation's major airlines for the following reasons:

**Hubs Will Be Eliminated**

All the major airlines operate a hub and spoke system. A combination of two or more airlines will create a redundancy of hubs, forcing the closure or substantial reduction in flights at some hubs. This will lead to a great loss of jobs at not only the airlines involved, but also at the dozens of service companies that support airline operations in hub cities.

**Service Frequency Will Be Reduced**

If two airlines merge, frequency of flights between cities they both serve will be reduced. A major goal of airline mergers is to reduce capacity, which means fewer seats available for travelers.

**Competition Will Be Diminished**

Fewer airlines and fewer flights mean fewer choices for consumers. This leads to higher fares.

**Jobs Will Be Lost**

Airline employees lost jobs after the 9/11 attacks. They lost jobs after painful bankruptcies. Mergers are just another avenue for airlines to cut even more jobs. This will lead to increased unemployment, as well as a reduction in taxes paid by airline workers and less money spent in their communities.

Customer Service Will Deteriorate Further

Customer service in the airline industry is legendary, legendarily poor. Merging two major airlines will force executives to pour resources into integrating the two companies and two different corporate cultures. This means customer service will not be a focus the combined airline.

**Pension Obligations Will Be Jeopardized**

Many airlines have frozen or terminated pension plans. If a merger takes place between two major airlines with company-sponsored pension plans, and the combined airline ultimately fails, the pensions will be forced onto the Pension Benefit Guaranty Corporation (PBGC). If, for example, a Delta-Northwest combination failed, the PBGC would be burdened with more than \$7 billion in liabilities. The PBGC has already expressed concerns about such a scenario.

**A Merger Will Do Nothing to Lower Fuel Prices**

Airlines cite high fuel prices as a reason to merge, but the cost of a gallon of fuel for two individual airlines will be the same as for one large airline.

If airline executive spent as much time running the airline and improving their product as they do searching for the next big deal, the industry would be better for passengers, employees and the communities the airlines serve. I hope you will speak out against the consolidation of major U.S. airlines.

Sincerely,

MARK UTLEY  
7085420853

